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C O N F I D E N T I A L SECTION 01 OF 03 WARSAW 002136

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E.O. 12958: DECL: 10/22/2022 TAGS: <u>PGOV PREL EFIN MARR PL</u>

SUBJECT: URBAN VOTERS DELIVER LANDSLIDE VICTORY TO CIVIC

PLATFORM

REF: WARSAW 2121 AND PREVIOUS

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Classified By: Political Counselor Mary T. Curtin for reasons 1.4 (b) and (d)

(C) Summary: The opposition Civic Platform (PO) won a decisive victory over ruling Law and Justice (PiS), as urban and youth voters, motivated apparently by PO leader Donald Tusk's decisive debate with PM Jarek Kaczynski, and by PiS's over-the-top campaign tactics, turned out in high numbers. With 99% of results tallied, PO captured 41.39% of the vote, which should translate to 209 deputies in the next parliament. Its wide margin of victory over PiS, which came in a distinct second at 32.16% (166 deputies), means Tusk and PO will form the next government. PO's likeliest coalition partner is the Polish Peasants Party (PSL), which came in fourth place, with 8.93% of the vote (31 deputies), although PSL is expected to be demanding in terms of ministries and agricultural policy. A PO-PSL coalition would provide a comfortable majority. Cooperation from Left and Democracy (LiD), which won 13.2% of the vote (for 53 seats) would enable such a coalition to override presidential vetoes. President Kaczynski vowed that as "the president of all Poles," he would cooperate with PO; however, Chancellery officials are already suggesting the President should have a voice in deciding who will head certain "power ministries' (i.e., Defense, Foreign Affairs, Interior, and Special Services), in the next government. Outgoing PM Kaczynski promised to provide a "tough and resolute" opposition. can expect PO's leadership to work closely with the USG on the wide range of bilateral priorities, but to look to withdraw from Iraq and to be able to say it ran tough negotiations to quard Poland's interests on Missile Defense. PO will likely bring greater expertise to Poland's role within European institutions, and notably with the critical bilateral relationship with neighboring Germany. End Summary.

PiS Takes a Thumping from Polska A

¶2. (C) PO leaders themselves were surprised by the wide margin of their victory in October 21 elections, beating PiS by nearly ten points, and coming tantalizingly close to an outright majority in the next parliament. PO's victory is attributed to an extraordinarily high turn out in Polish cities and among youth. We expect clearer analysis in coming days of what motivated voters, although it would appear that Donald Tusk's October 12 debate with PM Kaczynski was decisive. As one analyst remarked, Tusk succeeded in portraying Kaczynski as an anachronism and a danger to what Poles now enjoy. Many were alarmed at PiS's tactics last week when the controversial head of the Central Anti-Corruption Bureau (CBA) made a dramatic (even desperate)

televised accusation of corruption against a PO deputy, arguing voters should not support such a party. In Warsaw alone fully 70% of registered voters cast ballots, and national results were delayed by nearly three hours when a number of Warsaw precincts ran out of ballots. Middle class contacts, including professionals at the Ministry of Foreign Affairs, were nearly giddy in talking to Emboffs about the results. In the head-to-head match up, Tusk beat PM Jaroslaw Kaczynski nearly two-to-one. Over 53% of voters aged 18-24 cast ballots, proving that the youth vote played a large role in PO's success. Rural voters who make up the PiS core constituency voted in far fewer numbers than in 2005.

- 13. (C) PO's natural coalition partner is PSL; their two caucuses should count for 240 deputies, nine more than needed for a parliamentary majority. PSL leader Waldemar Pawlak and PO leadership are keeping quiet about possible coalition deals, although it's widely expected Pawlak (who served formerly as PM), will be offered a Deputy PM slot and the Ministry of Agriculture. Responding to the dismal fortunes of the now destroyed agrarian populist party Self-Defense, Pawlak on October 22 vowed to represent the interests of all farmers, clearly positioning himself as the king maker and the spokesman for rural "Polska B," in a new government. However, Pawel Zalewski, PiS's current head of the Foreign Relations Commission, predicted to Polcouns that negotiations with PSL would be difficult, and that PSL would be more demanding than some expected.
- 14. (C) President Lech Kaczynski offered his congratulations to the PO leadership for their victory, promising to work cooperatively and noting that he was "president of all Poles." His twin, PM Kaczynski, promised a "tough and resolute" opposition. A PO-PSL coalition will not be able to override presidential vetoes, and we wholly expect some of that resolute opposition to emanate from the Presidential Chancellery. Officials in the President's office are already

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suggesting that Kaczynski should have a voice in the appointment of "power ministries" which will surely be rejected by PO. (The expected PO-PiS coalition broke down in 2005 in large part because PiS would not allow PO to have any of those ministries.)

Kwasniewski's Faults Hurt LiD

15. (U) The reconstituted Left and Democrats (LiD) failed to rebound in significant numbers, capturing 13.2% of the vote for an anticipated 53 deputies, lower than expected. Former president Aleksandr Kwasniewski laid the blame for LiD's meager third place squarely at his own feet. After two episodes of apparent public inebriation in the last several weeks, Kwasniewski may have reminded voters of what they did not like about the SLD/Kwasniewski years (in particular problems with corruption) driving some potential supporters to PO. Kwasniewski's episodes instantly became the stuff of jokes, despite a tearful, televised interview with his daughter, Ola Kwasniewska (who starred in "Dancing with the Stars"), who claimed her father is suffering from an exotic illness contracted in the Philippines some years ago. Kwasniewski announced he would retire from politics and return to the lecture circuit, including at Georgetown University.

Chicago: The Heart of Polska B

16. (U) Tens of thousands of Poles living abroad voted in the elections, their votes counting in the Warsaw race between Tusk and Kaczynski. The expatriate vote was widely reported, with Poles residing in Germany, the UK and Ireland voting disproportionately for PO, and a whopping 80% of Chicago's Poles (who together make up the second largest Polish-speaking city in the world, after Warsaw) voting for

PiS. The new wave of immigrants who have flocked to other European countries are younger and better educated, and voted for PO; whereas the older, more conservative Polish-American community was Kaczynski-territory.

No "Tusk Bounce" for the Zloty, but Economists Beaming

 \P 7. (U) Despite the efforts of his campaign gurus, PM Kaczynski was not able to convince average Poles that his government was responsible for Poland's economic boom. In fact, PiS's emphasis on rooting out communism and corruption may have scared them into thinking PiS could undo what many Poles now enjoy. While details on PO's economic agenda are sketchy, potential Minister of Finance Zbigniew Chlebowski announced that PO will seek to cut the budget deficit from current levels (28.6 billion PLN) to 20 billion PLN. PO would like to enter the ERMII exchange rate mechanism in 2009, as a precursor for joining the Euro in 2012. PO also plans to limit public expenditures in order to introduce a flat tax of 15% on personal and corporate incomes in 2009. Experts are openly pleased with the election results, as most analysts believe PO is business-friendlier than PiS and will take steps to make the economy friendly to investors. Although there is no evidence today of a "Tusk bounce," most expect the zloty to continue to appreciate against the dollar, and for the Warsaw Stock Exchange to rise.

Timing for a New Government--Movement on Key Bilateral Issues

 $\P8$. (C) The first seating of the newly elected Sejm will be on November 5, and between now and then we expect rather considerable jockeying for influence, both within PO for various government positions, and between PO and PSL as they discuss terms for a possible coalition. With its clear victory, PO will have more room to maneuver in establishing a government, but one moderate PiS figure told Polcouns today he expects PSL to drive a tough bargain, both in terms of ministries it would like to control, and in terms of foreign and economic policy. We are now hearing that Bronislaw Komorowski is expected to be Speaker of the Sejm; with rumors of either former PM Jerzy Buzek or former Defense Minister Radek Sikorski as Foreign Minister; and Bogdan Zdrojewski as Defense Minister. The personalities will have an impact on policy, and it may take some time for the new government to establish the specifics of its positions on key bilateral issues.

--On Missile Defense, PO will want to examine the Polish position carefully before moving forward. PO's leadership is favorably disposed to MD, but will want to show they have put their stamp on the negotiations.

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- --On Iraq, as we reported reftel, Tusk was adamant in delinking PO's position in favor of withdrawing Polish troops from Iraq from recent terrorist attacks against Polish interests including the car bomb that seriously injured Polish Ambassador to Iraq Edward Pietrzyk. PO will not move rashly, but we should expect that it will speed up a possible Polish reduction in forces in 2008. PO will likely support the Polish mission in Afghanistan, given its NATO character.
- --We anticipate improved relationships within the EU and with key neighbors, most notably with neighboring Germany. Europeans broadly expect the tone of the relationships and of Poland's presence to improve, but on substance (e.g. insistence that Russia lift the meat ban before Poland lifts its veto on the negotiating mandate for a new EU-Russia treaty) many do not expect drastic changes.
- 19. (C) Comment: The election sent a clear message of repudiation of the Kaczynskis and the two chaotic years of

PiS rule. PiS managed to accomplish one of its priorities: destroying its competition to the right (the League of Polish Families and Self-Defense received only 1.2% and 1.5% of the votes, respectively), further suggesting that the heavy-handed manner of the coalition, and LPR and SO's anti-Semitic stirrings fell absolutely flat with the vast majority of Poles. But while picking up support from the right, centrist voters fled from PiS, and Poles continued their post-Communist tradition of passing the baton to a new team. Tusk will face many challenges ahead, most notably with a Kaczynski still occupying the Presidential Chancellery, and wholly willing to turn PiS's considerable political acumen to undermining a PO-led government. End Comment.